



**BOARD OF SUPERVISORS  
AGENDA LETTER**

**Agenda Number:**

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Submitted on:**  
**(COB Stamp)**

**Department Name:** District Attorney  
**Department No.:** 021  
**Agenda Date:** June 3, 2025  
**Placement:** Administrative Agenda  
**Estimated Time:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director(s): John T. Savrnoch, District Attorney  
Contact: Michael Soderman, Chief Financial & Administrative Officer  
**SUBJECT:** California Department of Insurance Grant Program for Fiscal Year 2025-26:  
Workers' Compensation Insurance Fraud Program

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DocuSigned by:  
*John Savrnoch*  
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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Adopt and authorize the Chair to execute a Resolution authorizing the District Attorney, or designee, to submit an application and, if awarded, execute a Grant Award Agreement with the California Department of Insurance for the Workers' Compensation Insurance Fraud Program, for the award period of July 1, 2025 through June 30, 2026, with an anticipated award of \$362,000, up to a maximum grant award amount of \$471,000;
- b) Approve and authorize the District Attorney, or designee, to execute any future amendments to extend the term of the Grant Award Agreement through December 31, 2025, or to increase the grant award in an amount not to exceed an additional \$50,000, with the concurrence of Risk Management, County Counsel, and Auditor-Controller; and
- c) Determine that the above recommended actions are not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4) because they consist of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

**Summary Text:**

The District Attorney's Office seeks the Board's approval to reapply for the California Department of Insurance (DOI) Workers' Compensation Fraud grant award for an amount up to \$471,000 for Fiscal Year (FY) 2025-26. The California DOI Workers' Compensation Insurance Fraud Program investigates and prosecutes workers' compensation insurance fraud cases. The District Attorney's Office has been awarded these grant funds for many years and must apply for these grant funds on an annual basis.

**Discussion:**

This request is before your Board to allow the District Attorney to obtain grant funds from the California DOI to fund its Worker's Compensation Fraud Unit. This grant will continue to provide partial funds for two part-time Deputy District Attorneys, one part-time District Attorney Investigator, and one part-time Legal Office Professional who will assist in the identification, investigation, and prosecution of workers' compensation fraud. The attorneys also act as liaisons to local law enforcement and the California DOI when cases of potential fraud are discovered.

At this time, the actual grant award amount is unknown as the grant funds have not yet been awarded. The District Attorney's Office plans to apply for the maximum possible grant award of \$471,000, which is the full cost of the program. Based on prior awards, the department estimates that the grant award will be approximately \$362,000 for Fiscal Year 2025-26; this is the amount that has been included in the FY 2025-26 Recommended budget. However, the department is requesting Board approval to apply for the maximum possible grant award amount of \$471,000.

**Background:**

The California DOI Workers' Compensation Insurance Fraud Program was established in 1991. The California legislature made workers' compensation fraud a felony, required insurers to report suspected fraud, and established a mechanism for funding enforcement and prosecution activities. The program is funded by an assessment on California employers, who are legally required to be insured or self-insured. This is the 22<sup>nd</sup> year that the Santa Barbara County District Attorney's Office has participated in the program to investigate and prosecute workers' compensation fraud, as well as conduct outreach and education in the community in an effort to reduce the instances of fraud. Since 2017, the Santa Barbara program has conducted 33 outreach sessions throughout Southern California, targeting insurance professionals and employer groups looking for more information on workers' compensation fraud.

Historically, the grant award amount has been less than what was requested in the grant application. However, consistent with past years, the District Attorney seeks authority to apply for the grant maximum.

Past grant funds have enabled the District Attorney to investigate and prosecute worker's compensation fraud. The FY 2025-26 grant would allow the Unit to continue at current staffing levels.

**Performance Measures:**

Each District Attorney receiving annual funds pursuant to Section 1872.83 of the California Insurance Code must submit an annual report to the Insurance Commissioner on the local program and its accomplishments. In FY 2024-25, the District Attorney's Insurance Fraud Unit reported that it has utilized grant funds primarily to target larger workers' compensation cases. In particular, the Unit has focused on pursuing businesses which deny their employees legal benefits in order to defraud the insurance system. In addition, the Unit continues to receive and investigate reports involving smaller-scale workers' compensation fraud.

During FY 2024-25, 16 new cases have been submitted to our office, with four carrying over from last fiscal year (two filed and two still under investigation). Of these 16 cases, we have closed four, while the remainder are still in the investigation stage.

### **Fiscal Analysis:**

The anticipated funding from this grant reflects one year of program expenses for the grant period of July 1, 2025 through June 30, 2026. The total project cost is \$471,000 and does not require any local cash match. If the District Attorney's application is approved and the full grant amount of \$471,000 is awarded, then the grant funds will support \$421,926 in Salaries and Employee Benefits based on the staffing impacts table listed below, as well as \$49,074 in operating costs which include training, IT costs, single audit fees, and indirect costs. Based on the prior year awards, the award for the next fiscal year is estimated at \$362,000. Accordingly, revenues and expenditures of \$362,000 are included in the Fiscal Year 2025-26 Recommended Budget.

<b>Funding Source</b>	<b>FY 25-26</b>	<b>Total</b>
General Fund		
State	\$ 471,000	\$ 471,000
Federal		
Fees		
[Other Source]		
<b>Total</b>	\$ 471,000	\$ 471,000

### **Staffing Impacts:**

<b>Legal Position Title</b>	<b>Number of FTE</b>	<b>Estimated Cost</b>
Deputy District Attorney SR	0.25	\$ 54,580
Deputy District Attorney	0.50	76,815
District Attorney Investigator	0.85	130,050
Legal Office Professional	0.15	12,800
Benefits		147,681
<b>Total</b>	<b>1.75</b>	<b>\$ 421,926</b>

### **Special Instructions:**

Please return the following items to John DeAlba, DA Department Business Specialist:

- a) One (1) Minute Order
- b) One (1) copy of a fully-executed Grant Delegation Resolution

### **Attachments:**

**Attachment A** – Resolution

### **Contact Information:**

John DeAlba  
 Department Business Specialist  
 jodealba@countyofsb.org